

BUDGET ADVISORY COMMITTEE
MINUTES from meeting with BOS (06/28/04)

BAC MEMBERS PRESENT AT MEETING:

Don Caisse, Joe Stella, Mike Roske

BOS MEMBERS PRESENT AT MEETING:

Cynthia Herman, Noreen O'Connell, Gary Daniels, Len Mannino, Larry Pickett

OTHERS PRESENT AT MEETING:

Katie Chambers (Town Administrator), Rose Evans (Town Finance Director)

TOPIC OF DISCUSSION: Working Default Budget and Town Department Budgetary Targets

WORKING FY2005 DEFAULT BUDGET

Rose Evans provided copies of the proposed 2005 default budget, revised 6/24/04. The default budget was also provided without salaries and benefits include. Rose also provided projections of wages and benefits for 2005 for all full-time positions in town. Part-time and overtime was excluded from this projection.

The 6/24 revision of the proposed default budget includes the elimination of all "replacement programs" as recommended by the BAC. The 6/24 revision also removes support costs for uninstalled software and the cost of the EPA statutory 5-year stormwater plan.

The current estimate for the FY2005 default budget is \$10,456,314, which represents a 3.44% increase over the FY2004 operating budget. The BOS voted 5-0 to approve this as the default budget, pending any changes that may be necessary as estimated expenses are firmed up.

Excluding salaries and benefits, the FY2005 default budget will be \$4,149,741, representing a 3.2% increase over the FY2004 operating budget excluding salaries and benefits of \$4,021,243.

Notable additions to the FY2005 default budget over the FY2004 operating budget are an increase of \$100,000 in MACC base support, required due to the exit of Amherst from the system, plus a \$295,026 bond payment for the new police station and \$65,848 in lease payments for the Caterpillar Loader and MACC base equipment. The Police Station, Loader, and MACC Base equipment payments are the result of warrant articles approved in March 2004.

TOWN DEPARTMENT BUDGETARY TARGETS

Using the working FY2005 default budget as a guide, the BOS voted to provide the following guidelines to department heads for preparation of 2005 operating budgets:

Each department will have a target budget representing a 1.5% increase over the FY2005 default budget, excluding wages and benefits. This is based on targeting a total budget increase in the 5% range for 2005.

Any budget requests over and above the 1.5% allocation must be fully defined and prioritized.

Any budgeted expenses over ~\$10K, such as vehicles that do not qualify as Capital Improvement projects, must be listed in budget requests for consideration as budget items or warrant articles.

The 1.5% increase does not apply to wage and benefits expenses for the department, with the exception that new positions, overtime, and other new labor expenses to support requested programs. These new positions must be included because they are NOT currently in the wage and benefit projection.

The BOS reserves the right to make budgetary adjustments to any portion of departmental proposals.

PROCESS MOVING FORWARD:

Katie Chambers will present FY2005 budgetary guidelines to department heads.

Department heads will create budgets for FY2005 and present them to the BOS and the BAC.

BAC members are encouraged to review the FY2003 and FY2004 budgets in preparation for the FY2005 process. Copies are available at the Town Hall in the BAC mailbox. Questions can be directed to Rose Evans or Department Heads as necessary.

ACTION ITEMS:

No additional actions from this meeting.

NEXT BAC MEETING TO BE DETERMINED (When department budget presentations are available.)

ATTACHMENTS:

*** 2005 Default Budget (revised 6/24/04) with and without Salary and Benefits increases.